THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN). (a) No, Sir. Rourkela Steel Plant has already been turned around and in the 1st quarter 2004-05, it has made a marginal net profit.

(b) SAIL has drawn and is implementing loss minimization plans, in Alloy Steel Plant (ASP), Salem Steel Plant (SSP) and Visvesvaraya Iron Steel Plant. (VISP). Further, in case of Indian Iron & Steel Company Limited (IISCO), Board for Industrial and Financial Reconstruction (BIFR) approved the Revival Plan and the same is under implementation.

(c) and (d) No specific package is under consideration of the Government for the revival of the private sector steel plants.

Increasing the prices of steel by companies

†1933. SHRI RAVI SHANKAR PRASAD:
SHRI RAM JETHMALANI:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the steel producing companies of the country have again announced to increase the prices of steel during July and August, 2004;

(b) if so, the names of companies which have increased the prices of steel and to what extent they have increased the prices of steel;

(c) whether reasons for such increase have also been mentioned; and

(d) if so, the details thereof and whether Government have taken any measures to keep check on such hike?

THE MINISTER OF STEEL (SHRI RAM VILAS PASWAN): (a) to (c) The Government monitors the domestic market prices of steel items but does not maintain price data on steel sold by individual steel producing companies. The trend in domestic market prices of key steel items prevailing during April, 2004 to August, 2004 in the Mumbai market is given below:—

† Original notice of the question was received in Hindi.

Unit: Rs./tonne

Item	April '04	May '04	June '04	July '04	August '04
Long Products					
(i) Wire Rods 6 mm	25,000	26,500	28,000	26,650	28,150
(ii) Rounds 12 mm	24,000	27,500	25,000	25,000	26,500
(iii) Tor Steel 12 mm	24,500	28,000	24,500	25,000	27,625
Flat Products					
(i) H R Coils 2 00 mm	31,000	33,000	31,500	30,500	31,000
(ii) C R Coils 0 63 mm	35,500	36,500	34,000	32,000	33,250
(iii) G P Sheets 0 63 mm	37,750	38,500	36,500	32,500	35,500

(Source JPC)

While there was a general reduction in steel prices during July 2004, the prices have increased during August 2004. In case of public sector units, Rashtriya Ispat Nigam Ltd (RINL) has not increased the ex-works price since 13 5.2004 Similarly, SAIL has also not changed the listed ex-works price of steel materials since July, 2004.

(d) The domestic steel prices have generally moved in tandem with the international prices The rise in demand for steel and the increased prices of essential raw materials are the main reasons for the price rise. In the domestic market the price rise during August, 2004 can be attributed to increase in Excise Duty (8% to 12%) and Service tax (8% to 10%) and the imposition of Education Cess (2%)

In a liberalized environment the Government does not intervene directly in the market to influence prices However, the Government, through its policy initiatives, has taken various measures to increase availability and stabilize the prices, which *inter-alia* include:—

(i) Reduction in customs duty on non alloy steel from 25% to 10%.

(ii) Reduction in customs duty on alloy steel from 25% to 15%.

(iii) Abolition of 4% Special Additional Duty (SAD) on imports.

(iv) Lowering of excise duty on steel items from 16% to 12%.

(v) Lowering customs duty on several raw materials like coal, coke, nickel, refractories, pig iron and sponge iron.

(vi) Substantial increase in the allocation of steel items, during 2004-05, for supply to the SSI units under the existing scheme for supply to SSI unit

(vii) A temporary suspension of DEPB benefits on steel exports from 27 3.2004 to 12 7.2004